

Overview of Scope of IDB-Invest E&S Review The environmental and social review of the proposed transaction was carried out through an E&S on-site due diligence mission, subsequent in-country meetings as well as desk research of pertinent information from the client. This included a review of basic credit risk evaluation and management procedures applied by TTMF. **Environmental and Social Categorization and Rationale** The portfolio of personal loans is considered low risk given the concentration in low-income residential mortgages. In the last 16 years through its portfolio of residential loans, TTMF has reached roughly 11,700 borrowers, with an average loan value of approximately US\$56,757. Per the IIC's Environmental and Social Sustainability Policy, this Financial Intermediary ("FI") operation has been categorized as FI-3. **Environmental and Social Risks and Impacts** The environmental and social risks of underlying transactions are considered very low. One of the conditions of approval set by the Local Regional Authority and the Town and Country Planning Division for the construction of any housing development (whether public and private) is approval from the Environmental Management Authority (EMA) which is the national environmental assessment compliance agency in Trinidad and Tobago. TTMF includes this requirements in the screening checks as part of the credit adjudication process. TTMF's credit risk system also includes legal compliance verification. **Mitigation Measures** TTMF will be required to ensure that all residential mortgage loans comply with the IDB-Invest List of Excluded Activities, and applicable local environmental and social laws as per Housing Development Corporation ("HDC") and EMA requirements. TTMF has already illustrated where and how, in its credit risk evaluation and management system, it will incorporate the basic environmental and social procedures into its manuals. **E&S Action Plan** No Environmental and Social Action Plan is required.